



Independent Auditor's Report examining the proposed accounting treatment contained in the scheme of arrangement between Sterlite Power Transmission Limited ("Demerged Company") and Sterlite Grid 5 Limited ("Resulting Company) and their respective shareholders and creditors under section 230 to 232 read with section 52 and other applicable provisions of The Companies Act, 2013

To,
The Board of Directors
Sterlite Grid 5 Limited
9th Floor, Tower-B, DLF Cyberpark,
Udyog Vihar, Phase III, Sector-20,
Gurgaon, Haryana-122008

Dear Sir,

1. This Report is issued in accordance with the terms of our service scope letter dated December 20, 2022 along with addendum/amendments thereto if any, with Sterlite Grid 5 Limited (hereinafter the "**Resulting Company**") for submission to the Hon'ble National Company Law Tribunal (hereinafter the "**NCLT**") and any other regulatory authorities in connection with the scheme of arrangement as mentioned in paragraph 2 below.
2. We, KNPS & Associates, Chartered Accountants, are the statutory auditors for Sterlite Grid 5 Limited, have been requested to examine the proposed accounting treatment specified in clause 9.2 of the attached proposed scheme of arrangement subject to approval of competent statutory /regulatory authorities as may be required by Sterlite Power Transmission Limited ("**Demerged Company**") and Sterlite Grid 5 Limited ("**Resulting Company**"), companies incorporated in India, and their respective shareholders and creditors (hereinafter referred to as the "**Scheme**"), in terms of the provisions under Sections 230 to 232 of the Companies Act, 2013 read with Sections 52 and other applicable provisions of The Companies Act, 2013, as amended (the "**Act**"), which we have initialed for identification purposes to confirm whether it is in compliance with the applicable Accounting Standards notified under Section 133 of the Act read together with The Companies (Indian Accounting Standards) Rules, 2015, as amended (collectively, "**Ind AS**"), MCA circular 09/ 2019 issued by Ministry of Corporate Affairs ("**MCA**") dated August 21, 2019 ("**Circular**"), and other Generally Accepted Accounting Principles.

Management's Responsibility for the Certificate

3. The responsibility for the preparation of the Scheme and its compliance with the relevant laws and regulations, applicable Ind AS and other Generally Accepted Accounting Principles as aforesaid, is that of the Board of Directors of the companies involved in the Scheme. This responsibility includes the design, implementation and maintenance of internal control relevant for the preparation and presentation of the Scheme and applying an appropriate basis of preparation and making estimates that are responsible in the circumstances.
4. The management of the Companies are also responsible for ensuring that the companies complies with the requirements of the Act, and for providing all relevant information to the NCLT and any other regulatory authority in connection with the Scheme.

Auditor's responsibility

5. Pursuant to the requirements of Sections 230 to 232 and other applicable provisions of the Act, our responsibility is to provide a reasonable assurance in the form of an opinion, based on our



examination and according to the information and explanations given to us, as to whether the proposed accounting treatment specified in Clause 9.2 of the Scheme complies with the applicable Ind AS and other Generally Accepted Accounting Principles.

6. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the institute of Chartered Accountants of India (ICAI). This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI. Our scope of work did not include verification of compliance with other requirements of the other circulars and notifications issued by regulatory authorities from time to time and any other laws and regulations applicable to the Company.
7. Our examination did not extend to any aspects of a legal or propriety nature covered in the Clause 9.2 of the Scheme.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms That Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagement.
9. A reasonable assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the reporting criteria mention in paragraph 5 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the reporting criteria. We have performed the following procedure in relation to the statement:
 - i. Read the Scheme and the proposed accounting treatment as specified in Clause 9.2 of the Scheme, which is attached as Annexure A to this Report;
 - ii. Performed inquiries with the management to assess the accounting treatment and obtained necessary representations.

Further, our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be to express an opinion on the specified elements, accounts or items thereof, for the purpose of this Report. Accordingly, we do not express such opinion. Nothing contained in this Report, nor anything said or done in the course of, or in connection with the services that are subject to this Report, will extend any duty of care that we may have in our capacity as the statutory auditors of any financial statements of the Company.

Opinion

10. Based on our examination and according to the information and explanations given to us, and procedures performed by us as stated in paragraph 8 and 9 above, we are of the opinion that, the proposed accounting treatment contained in clause 9.2 of the Scheme is in compliance with the applicable Ind AS and other Generally Accepted Accounting Principles.

Restriction on use

11. This Report is issued at the request of the Resulting Company and addressed to the Board of Director of the Resulting Company, solely for the purpose to comply with the requirements of the provisions of Sections 230 to 232 and other applicable provision of the Act for onward submission to the NCLT, or such other regulatory or statutory authority, as may be applicable and is not to be used or referred to for any other purposes. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other party to whom this Report is shown or



into whose hands it may come. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

For KNPS & Associates
Chartered Accountants
Firm Registration Number: 024073N

NM

Kumar Nagmani
Partner
Membership No.: 506310
UDIN: 23506310BGWAJS6421
Place: Gurugram
Date: October 09, 2023



Annexure A

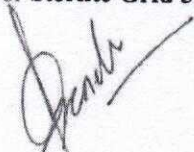
Certified true copy of Clause 9.2 of the Scheme of Arrangement amongst Sterlite Power Transmission Limited and Sterlite Grid 5 Limited and their respective shareholders and creditors under section 230 to 232 read with section 52 and other applicable provisions of Companies Act, 2013.

9.2 Accounting treatment in the books of the Resulting Company

Notwithstanding anything else contained in the Scheme

- 9.2.1. The Resulting Company shall account for the demerger by the Demerged Company to the Resulting Company as per Scheme in its books of accounts in accordance with Ind AS notified under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015 and generally accepted accounting principles, as may be amended from time to time. In applying demerger accounting, the Resulting Company shall, among other matters, ensure accounting policies of demerged undertaking are aligned to the accounting policies followed by the Resulting Company.
- 9.2.2. Due to Capital Reduction as prescribed under Clause 11 of this Scheme, the shares held by the Demerged Company in the Resulting Company shall stand cancelled. The Resulting Company shall credit the corresponding amount to the capital reserve.
- 9.2.3. For accounting purpose, the Scheme will be given effect from the date when all substantial conditions for the demerger/ transfer of assets and liabilities are completed.

For **Sterlite Grid 5 Limited**


Authorised Signatory
Name: Ashok Gandhi
Designation: Senior Vice President Finance
Place: Gurugram
Date: October 09, 2023

